

## Message Text

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ACTION OPR-02

INFO OCT-01 ARA-14 ISO-00 A-01 PER-05 ABF-01 L-03  
/027 W

-----120742 112028Z /45

P R 111849Z JAN 78  
FM AMEMBASSY SANTIAGO  
TO PER DIEM TVL & TR ALWS COMTE WASHDC PRIORITY  
INFO DIA WASHDC//AH-6//AH//  
USCINCSO QUARRY HEIGHTS CZ  
SECDEF WASHDC//DSAA-TC//  
SECSTATE WASHDC 7757

UNCLAS SECTION 1 OF 2 SANTIAGO 212

E. O. 11652: N/A  
TAGS: MILI  
SUBJECT: INCREASED HOUSING COSTS IN SANTIAGO, CHILE

REF: (A) DAO CHILE MSG 772 DTG 071450Z DEC 77 (NOTAL)  
(B) DAO CHILE LTR U-40-77 DTD 12 MAY 77 (NOTAL)  
(C) DIA LTR U-8,226/AH-6 DTD 24 MAR 77 (NOTAL)

1. USDAO AND MILGP CHILE HAVE CONDUCTED AN EXTENSIVE HOUSING SURVEY TO

DETERMINE TO WHAT EXTENT THE CONTINUOUS RISE IN HOUSING AND UTILITY  
COSTS IN SANTIAGO, CHILE HAS AND WILL CONTINUE TO IMPACT ON OUR  
MILITARY PERSONNEL.

2. FACTS: THE RAPID INCREASES IN RENTS AND UTILITIES BEGAN IN THE  
WINTER OF 1976 BUT HAVE REALLY SKYROCKETED DURING THE LAST TEN  
MONTHS. ALL OF OUR ASSIGNED MEMBERS HAVE PRIVATE LEASES WITH THE  
EXCEPTION OF THREE MEMBERS IN GOVERNMENT-LEASED QUARTERS. TWO MEMBERS  
WILL BE EFFECTING THE CHANGE FROM GOVT LEASE TO PRIVATE LEASE WITHIN  
THE NEXT SIXTY DAYS. MOST OF THE PRIVATE CONTRACTS ARE ABOUT TO  
EXPIRE AND LANDLORDS ARE DEMANDING OUTRAGEOUS INCREASES FOR LEASE  
RENEWALS. THE FOLLOWING CASES ARE PRESENTED:

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A. AN E-8 NAVY YEOMAN ASSIGNED TO THE U.S. MILGP WAS FORCED  
TO MOVE WHEN HIS LANDLORD DEMANDED AN INCREASE FROM \$300 TO \$900  
PER MONTH UPON EXPIRATION OF LEASE. MEMBER FOUND MINIMAL LIVING  
ACCOMMODATIONS FOR \$450 IN MARGINALLY ACCEPTABLE AREA WHICH  
ATTRIBUTED TO AN INCREASE IN UTILITY COSTS FROM \$150 TO \$200 PER  
MONTH TO MAINTAIN ADEQUATE LIVING COMFORT.

B. AN E-5, USAF, ASSIGNED TO THE DEFENSE ATTACHE OFFICE: HIS

CONTRACT EXPIRES 15 APR 78. LANDLORD WILL NOT ACCEPT LESS THAN \$600 PER MONTH. ORGINALLY ASKED \$800. PRESENT LEASE (TWO YEARS OLD) IS \$320. LANDLORD STATED HE WILL HAVE NO PROBLEM RENTING TO PRIVATE SECTOR FOREIGNERS FOR MUCH MORE, BUT PREFERS OFFICIAL "DIPLOMATICOS" IN HIS HOUSE. OVER PAST TEN MONTHS AVERAGE UTILITY COSTS HAVE INCREASED IN THESE QUARTERS FROM \$67.00 TO 115.00 PER MONTH.

C. AN E-5, NAVY INTEL SPECIALIST ASSIGNED TO THE DEFENSE ATTACHE OFFICE: BEING FORCED TO FIND OTHER QUARTERS BECAUSE OF CHRONIC HEALTH PROBLEM OF FOUR MONTH OLD SON CAUSED BY EXTREMELY HIGH SMOG CONCENTRATION IN SANTIAGO AREA. UTILITY COSTS OF PRESENTLY OCCUPIED EFFICIENY APARTMENT HAVE INCREASED FROM AVERAGE OF \$80.00 TO \$125.00 OVER PAST EN MONTHS.

D. AN E-6, NAVY INTEL SPECIALIST ASSIGNED TO THE DEFENSE ATTACHE OFFICE: HIS LEASE IS DUE TO EXPIRE 18 MAY 78. LANDLORD IS NOW DEMANDING REPLY BY FEB 78 ON ACCEPTANCE OF AN INCREASE TO \$700 PER MONTH VICE \$321 PER MONTH NOW BEING PAID. UTILITIES HAVE INCREASED FROM \$89.00 TO \$147.00 OVER PRECEDING TEN-MONTH PERIOD.

E. A WARRANT OFFICER, U.S. ARMY, ASSIGNED TO THE DEFANSE ATTACHE OFFICE: MEMBER BEING FORCE TO FIND OTHER QUARTERS BY LANDLORD'S REFUSAL TO TAKE REASONABLE MEASURES TO SECURE QUARTERS FROM ADDITIONAL ORBBERIES. IN PAST THREE MONTHS QUARTERS HAVE BEEN BURGLARIZED TWO TIMES WITH LARGE LOSS OF PERSONAL PROPERTY AND CONSIDERABLE DAMAGE TO QUARTERS. LEASE NEGOTIATED IN MAY 1977 AT A MONTHLY COST OF \$475.00. LANDLORD CONVINCED EVEN WITH RASH OF BURGLARIES RENT SHOULD BE INCREASED TO \$600.00 AT END OF FIRST YEAR WITH INCREASE QUARTERLY THEREAFTER, BASED ON GOVERNMENT OF CHILE UNCLASSIFIED

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(GOC) INFLATION FIGURES PUBLISHED MONTHLY. AVERAGE UTILITY COSTS IN THESE QUARTERS HAVE INCREASED FROM \$80.00 TO \$157.00 PER MONTH, WITH A CONSCIOUS REDUCTION IN CONSUMPTION. MINIMUM RENT FOR SUITABLE QUARTERS NOW AVAILABLE AVERAGING \$650 TO \$700 PER MONTH.

F. A CAPTAIN, U.S. NAVY, ASSIGNED TO THE DEFENSE ATTACHE OFFICE: A PRIVATE LEASE WAS AGREED ON VERBALLY BY PROSPECTIVE LANDLORD AT \$1,000 PER MONTH. WHILE LEASE WAS BEING WRITTEN, LANDLORD LEASED QUARTERS TO PRIVATE SECTOR BUSINESSMAN FOR \$1,500 PER MONTH. MEMBER STILL SEARCHING FOR ACCEPTABLE QUARTERS WHILE USING REMAINDER OF GOVERNMENT LEASE DUE TO EXPIRE IN JUN 78. LANDLORD STATED IF HE WASTO RENEW LEASE (WHICH HE WILL NOT DO) IT WOULD BE INCREASED FROM PRESENT \$600 PER MONTH TO A MINIMUM OF \$1,800 PER MONTH. UTILITIES HAVE INCREASED TO OVER \$200 PER MONTH EVEN THOUGH AMOUNTS CONSUMED HAVE BEEN REDUCED.

3. U.S. EMBASSY STAFF MEMBERS (FSS6-10) ARE FACING SIMILAR PROBLEMS AND FELLING THE PINCH EVEN WITH THE AVERAGE \$650 PER MONTH QUARTERS ALLOWANCE NOW AUTHORIZED, EFFECTIVE 20 NOV 77 AS PER STATE MSG 285053

4. THE ABOVE HOUSES ARE APPROPRIATE AND ADEQUATE TO THE RANK AND POSITION OF EACH MEMBER. NONE OF THE PRICES INCLUDE THE AGEN FEES;

REQUIRED TWO MONTHS' ADVANCE RENT DEPOSIT, NOR UTILITIES. OTHER EMBASSIES REPORT THAT \$700 PER MONTH FOR FAMILY QUARTERS AND \$600 PER MONTH FOR SINGLE MEMBER STAFF PERSONNEL AND \$1,000 TO \$1,200 PER MONTH FOR PRINCIPAL OFFICERS TENDS TO BE THE MOST COMMON PRICES QUOTED FOR ADEQUATE HOUSING.

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ACTION OPR-02

INFO OCT-01 ARA-14 ISO-00 A-01 ABF-01 PER-05 L-03  
/027 W

-----120851 112029Z /42

P R 111849Z JAN 78  
FM AMEMBASSY SANTIAGO  
TO PER DIEM TVL & TR ALWS COMTE WASHDC PRIORITY  
INFO DIA WASHDC//AH-6//AH//  
USCINCSO QUARRY HTS CZ  
SECSEF WASHDC//DSAA-TC//  
SECSTATE WASHDC 7758

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5. MEMBERS MENTIONED IN ABOVE CASES HAVE EXHAUSTED ALL REASONABLE EFFORTS IN TRYING TO OBTAIN ADEQUATE HOUSING COMMENSURATE WITH PRESENT ALLOWANCES.

6. SUMMARY: ALTHOUGH AN OUT-OF-CYCLE REPORT IS FEASIBLE, IT WOULD NOT REFLECT CURRENT TRENDS IN RENTS AND UTILITIES BECAUSE OF THE AGE OF SOME OF THE LEASES. WITH THE REDUCTION OF USMILGP CHILE, ONLY SIX PERSONNEL WILL REMAIN WITH TWO MILGP POSITIONS (ONE ENLISTED AND ONE OFFICER BILLET) BEING CONVERTED TO CIVILIAN POSITIONS IN THE NEAR FUTURE. EIGHT PERSONNEL (FOUR ATTACHE AND FOUR STAFF) ARE ASSIGNED TO THE USDAO. ALL ASSIGNED PERSONNEL ARE FACING AN AVERAGE \$250 TO \$300 MONTHLY INCREASE.

7. THE SIX CASES PRESENTED ABOVE CLEARLY INDICATE THE HARSH CONDITIONS BEING ENCOUNTERED BY ASSIGNED MILITARY PERSONNEL. IN VIEW OF THIS, REQUEST THAT SANTIAGO, CHILE, BE DESIGNATED A HIGH COST AREA AND THAT A SPECIAL HOUSING ALLOWANCE COMMENSURATE WITH THOSE ALLOWANCES GRANTED OTHER MEMBERS OF THE US MISSION IN SANTIAGO UNDER CHAPTER 920 OF THE STANDARDIZED REGULATIONS BE AUTHORIZED ACCORDINGLY. MOREOVER, THE DAO AND MILGP CHIEF SHOULD ENJOY AN ALLOWANCE COMPARABLE TO COUNSELORS OF EMBASSY, I.E., APPLICABLE ALLOWANCE PLUS 50 PERCENT.

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8. FOLLOWING INFORMATION FOR ALL UNIFORMED PERSONNEL PRESENTLY OCCUPYING PRIVATE LEASE HOUSING: NAME, GRADE, CURRENT RENT PAID, DATE OF LEASE AND ANTICIPATED RENT INCREASE UPON RENOGLITIATION OF LEASE AND WHETHER WITH OR WITHOUT DEPENDENTS.

NAME/RANK NO CURRENT UTILI- DATE OF EST. REN  
T DEP RENT TIES LEASE EX- IF LEEAS

E  
PRIATION WERE TO  
BE RENE-  
GOTIATED  
NOW

CAPT W.H.SEAY	1	\$600	\$250	JUN 78	\$1,800
LT F.J.ARCHDEACON	0	\$600	\$100	OCT 78	\$ 800
(DAO)					
WO1 G.S.KERKOSKI	3	\$475	\$157	MAY	\$ 700
(DAO)					
1S1 B.S.ROBINSON	2	\$321	\$150	MAY 78	\$ 700
(DAO)					
1S2 A.GONZALEZ	2	\$270	\$125	DEC 78	\$ 500
(DAO)					
SSGT A. IDROGO	3	\$320	\$115	APR 78	\$ 800
(DAO)					
YNCS DENTON	3	\$450	\$250	MAY 78	\$ 900
(USMILGP)					
LTC VON GORTLER	4	\$300	\$125	JUL 78	\$1,000
(MILGP)					
LTC PRATT	3	\$450	\$150	OCT 79	\$1,200
(USMILGP)					
LCDR MENDEZ	3	PRESENTLY NEGOTIATING LEASES IN SANTIAGO			
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(USMILGP) DUE TO TRANSFER FROM VINA DEL MAR TO  
SANTIAGO. CLOSURE OF NAVSEC MILGP CHILE  
IN NOV 77. AVERAGE RENTAL PRICES FOR A  
3-4 BEDROOM HOUSE AVERAGING \$650-700 PER  
MONTH AT PRESENT TIME. RENTS DUE TO INCREAS

E  
1 JAN 78

MAJ NETTLETON 3 \$400 \$140 JUL 79 \$ 950

7. OTHER MEMBERS ASSIGNED TO USDAO OR USMILGP CHILE HAVE GOVT LEASES. AS A POINT OF INTEREST, MANY LANDLORDS ARE NOW DEMANDING FIRST YEAR RENT TO BE PAID IN ADVANCE WITH SUBSEQUENT YEAR RENT, PLUS INCREASES, ALSO TO BE PAID IN ADVANCE ONE YEAR AT A TIME.

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## Message Attributes

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**Concepts:** HOUSING, COSTS  
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**Decaption Date:** 01 jan 1960  
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